

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GARRISON-QUINCY-KY-O-)	
HEIGHTS WATER DISTRICT OF LEWIS COUNTY)	
KENTUCKY FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO CONSTRUCT,)	96-285
FINANCE AND INCREASE RATES PURSUANT)	
TO THE PROVISIONS OF KRS 278.023)	

O R D E R

On July 24, 1996, Garrison-Quincy-Ky-O-Heights Water District ("Garrison Water") submitted an application for a Certificate of Public Convenience and Necessity to construct an \$872,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 151 additional customers. Project funding includes a \$295,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD") formerly known as the Rural Economic and Community Development Service, a \$290,000 grant from RD, a \$225,000 Appalachian Regional Commission Grant, and \$62,000 from applicants for service in the proposed project area.

Garrison Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements

were met in this case on July 24, 1996, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Garrison Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Garrison Water's proposed plan of financing with RD is accepted.

3. Garrison Water is authorized to issue bonds not to exceed \$295,000.

4. Garrison Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Garrison Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Garrison Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Garrison Water shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 16th day of August, 1996.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Elmer J. Hines
Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-285 DATED AUGUST 16, 1996

The following rates and charges are prescribed for the customers in the area served by Garrison-Quincy-Ky-O-Heights Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First	2,000	Gallons	\$11.00	Minimum Bill
Next	3,000	Gallons	4.40	Per 1,000 Gallons
Next	5,000	Gallons	3.30	Per 1,000 Gallons
Next	10,000	Gallons	2.20	Per 1,000 Gallons
All Over	20,000	Gallons	1.70	Per 1,000 Gallons

A monthly surcharge of \$5.00 will be collected from each of the new users located on the line extension. This surcharge may be dropped after the total number of users on the line reaches 221. RECD may consent to a reduction or phase out of the surcharge with less customers, if the District can show adequate cash flow. RECD's consent must be in writing.